

such Guaranteed Obligations. The payment obligation of a Guarantor to any Excess Funding Guarantor under this Section 2.08 shall be subordinate and subject in right of payment to the prior payment in full of the obligations of such Guarantor under the other provisions of this Section 2 and such Excess Funding Guarantor shall not exercise any right or remedy with respect to such excess until payment and satisfaction in full of all of such obligations under this Section 2.

For purposes of this Section 2.08, (i) "Excess Funding Guarantor" shall mean, in respect of any Guaranteed Obligations, a Guarantor that has paid an amount in excess of its Pro Rata Share of such Guaranteed Obligations, (ii) "Excess Payment" shall mean, in respect of any Guaranteed Obligations, the amount paid by an Excess Funding Guarantor in excess of its Pro Rata Share of such Guaranteed Obligations and (iii) "Pro Rata Share" shall mean, for any Guarantor, the ratio (expressed as a percentage) of (x) the amount by which the aggregate fair saleable value of all Properties of such Guarantor (excluding any shares of stock of any other Guarantor) exceeds the amount of all the debts and liabilities of such Guarantor (including contingent, subordinated, unmatured and unliquidated liabilities, but excluding the obligations of such Guarantor hereunder and any obligations of any other Guarantor that have been Guaranteed by such Guarantor) to (y) the amount by which the aggregate fair saleable value of all Properties of all of the Guarantors exceeds the amount of all the debts and liabilities (including contingent, subordinated, unmatured and unliquidated liabilities, but excluding the obligations of the Company and the Guarantors hereunder) of all of the Guarantors as of the date hereof. If any entity becomes a Guarantor hereunder subsequent to the date hereof, then for purposes of this Section 2.08 such subsequent Guarantor shall be deemed to have been a Guarantor as of the date hereof and the aggregate present fair saleable value of Properties, and the amount of the debts and liabilities, of such Guarantor as of the date hereof shall be deemed to be equal to such value and amount on the date such Guarantor becomes a Guarantor hereunder.

**2.09 General Limitation on Guarantee Obligations.** In any action or proceeding involving any state corporate law, or any state or Federal bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of any Guarantor under Section 2.01 hereof would otherwise, taking into account the provisions of Section 2.08 hereof, be held or determined to be void, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under said Section 2.01, then, notwithstanding any other provision hereof to the contrary, the amount of such liability shall, without any

further action by such Guarantor, the Agent, the Banks or any other Person, be automatically limited and reduced to the highest amount that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

Section 3. Representations and Warranties. Each Obligor represents and warrants to the Banks and the Agent that:

3.01 Corporate Existence. Each Guarantor: (a) is a corporation duly organized and validly existing under the laws of the State of Delaware; (b) has all requisite corporate power, and has all governmental licenses, authorizations, consents and approvals necessary to own its assets and carry on its business as now being or as proposed to be conducted, except any such licenses, authorizations, consents and approvals as to which the failure to obtain could not reasonably be expected to have a Material Adverse Effect and except for the approvals of the FCC with respect to the Joyner Acquisition, the AmCom Acquisition and the Franklin Acquisition; and (c) is qualified to do business in all jurisdictions in which the nature of the business conducted by it makes such qualification necessary and where failure so to qualify would (either individually or in the aggregate) reasonably be expected to have a Material Adverse Effect.

3.02 No Breach. None of the execution and delivery of this Agreement, the consummation of the transactions herein contemplated or compliance with the terms and provisions hereof will conflict with or result in a breach of, or (except as described in Section 3.04 hereof) require any consent under, the charter or by-laws of any Guarantor, or any applicable law or regulation, or any order, writ, injunction or decree of any court or governmental authority or agency, or any agreement or instrument to which any Guarantor or any of its Subsidiaries is a party or by which any of them is bound or to which any of them is subject, or constitute a default under any such agreement or instrument, or (except for the Liens created pursuant to the Security Documents) result in the creation or imposition of any Lien upon any of the revenues or assets of any Guarantor or any of its Subsidiaries pursuant to the terms of any such agreement or instrument, excluding, however, any failure to obtain required consents to assignment of agreements, and of Property covered thereby, in connection with the Acquisitions, or the creation of Liens in any such agreements or Property, provided that the failure to obtain such required consents will not, in the aggregate, reasonably be expected to result in a Material Adverse Effect.

3.03 Corporate Action. Each Guarantor has all necessary corporate power and authority to execute, deliver and perform its obligations under this Agreement; the execution, delivery and performance by each Guarantor of this Agreement have been duly authorized by all necessary corporate action on its part; and this Agreement has been duly and validly executed and delivered by each Guarantor and constitutes its legal, valid and binding obligation, enforceable against such Guarantor in accordance with its terms, except as such enforceability may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability affecting the enforcement of creditors' rights and (b) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.04 Approvals. No authorizations, approvals or consents of, and no filings or registrations with, any governmental or regulatory authority or agency, or any securities exchange (such authorizations, approvals, consents, filings and registrations being herein collectively called the "Approvals"), are necessary for the execution, delivery or performance by any Guarantor of this Agreement or for the validity or enforceability hereof except as otherwise set forth in Section 7.06 of the Credit Agreement.

3.05 Collateral.

(a) Except as listed on Schedule I to the Credit Agreement or as permitted under Section 8.06 of the Credit Agreement, each Obligor is the sole beneficial owner of the Collateral in which it purports to grant a security interest pursuant to Section 4 hereof and no Lien exists or will exist upon such Collateral at any time (and no right or option to acquire the same exists in favor of any other Person), except for the pledge and security interest in favor of the Agent for the benefit of the Banks created or provided for herein, which pledge and security interest constitute a first priority perfected pledge and security interest in and to all of such Collateral.

(b) The Pledged Stock represented by the certificates identified under the name of each Obligor in Annex 1 hereto is, and all other Pledged Stock in which such Obligor shall hereafter grant a security interest pursuant to Section 4 hereof will be, duly authorized, validly existing, fully paid and non-assessable and none of such Pledged Stock is or will be subject to any contractual restriction, or any restriction under the charter or by-laws of the respective Issuer of such Pledged Stock, upon the transfer of such

Pledged Stock (except for any such restriction contained herein).

(c) The Pledged Stock represented by the certificates identified under the name of such Obligor in Annex 1 hereto constitutes all of the issued and outstanding shares of capital stock of any class of the Issuers beneficially owned by such Obligor on the date hereof (whether or not registered in the name of such Obligor) and said Annex 1 correctly identifies, as at the date hereof, the respective Issuers of such Pledged Stock, the respective class and par value of the shares comprising such Pledged Stock and the respective number of shares (and registered owners thereof) represented by each such certificate.

Section 4. Collateral. As collateral security for the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations, each Obligor hereby pledges and grants to the Agent, for the benefit of the Banks as hereinafter provided, a security interest in all of such Obligor's right, title and interest in the following property, whether now owned by such Obligor or hereafter acquired and whether now existing or hereafter coming into existence (all being collectively referred to herein as "Collateral"):

(a) the shares of common stock of the Issuers represented by the certificates identified in Annex 1 hereto under the name of such Obligor and all other shares of capital stock of whatever class of the Issuers, now or hereafter owned by such Obligor, in each case together with the certificates evidencing the same (collectively, the "Pledged Stock");

(b) all shares, securities, moneys or property representing a dividend on any of the Pledged Stock, or representing a distribution or return of capital upon or in respect of the Pledged Stock, or resulting from a split-up, revision, reclassification or other like change of the Pledged Stock or otherwise received in exchange therefor, and any subscription warrants, rights or options issued to the holders of, or otherwise in respect of, the Pledged Stock;

(c) without affecting the obligations of such Obligor under any provision prohibiting such action hereunder, in the event of any consolidation or merger in which an Issuer is not the surviving corporation, all shares of each class of the capital stock of the successor corporation (unless such successor corporation is the Company itself) formed by

or resulting from such consolidation or merger (the Pledged Stock, together with all other certificates, shares, securities, properties or moneys as may from time to time be pledged hereunder pursuant to clause (a) or (b) above and this clause (c) being herein collectively called the "Stock Collateral");

(d) all accounts and general intangibles (each as defined in the Uniform Commercial Code) of such Obligor constituting any right to the payment of money, including (but not limited to) all moneys due and to become due to such Obligor in respect of any loans or advances or for Inventory or Equipment or other goods sold or leased or for services rendered, all moneys due and to become due to such Obligor under any guarantee (including a letter of credit) of the purchase price of Inventory or Equipment sold by such Obligor and all tax refunds (such accounts, general intangibles and moneys due and to become due being herein called collectively "Accounts");

(e) all instruments, chattel paper or letters of credit (each as defined in the Uniform Commercial Code) of such Obligor evidencing, representing, arising from or existing in respect of, relating to, securing or otherwise supporting the payment of, any of the Accounts, including (but not limited to) promissory notes, drafts, bills of exchange and trade acceptances (herein collectively called "Instruments");

(f) all inventory (as defined in the Uniform Commercial Code) of such Obligor, all goods obtained by such Obligor in exchange for such inventory, and any products made or processed from such inventory including all substances, if any, commingled therewith or added thereto (herein collectively called "Inventory");

(g) all other accounts or general intangibles of such Obligor not constituting Accounts;

(h) all equipment (as defined in the Uniform Commercial Code) of such Obligor, including all Motor Vehicles (herein collectively called "Equipment");

(i) each contract and other agreement of such Obligor relating to the sale or other disposition of Inventory or Equipment;

(j) all documents of title (as defined in the Uniform Commercial Code) or other receipts of such Guarantor

covering, evidencing or representing Inventory or Equipment (herein collectively called "Documents");

(k) all rights, claims and benefits of such Obligor against any Person arising out of, relating to or in connection with Inventory or Equipment purchased by such Obligor, including, without limitation, any such rights, claims or benefits against any Person storing or transporting such Inventory or Equipment;

(l) the balance from time to time in the Collateral Account;

(m) all of such Obligor's rights under or relating to the Station Licenses and the proceeds of any Station Licenses, provided, however, that such security interest does not include at any time the Station Licenses to the extent (but only to the extent) that at such time such Obligor is prohibited from granting a security interest therein pursuant to the Communications Act of 1934, as amended, and the regulations promulgated thereunder, as in effect at such time, but such security interest does include, to the maximum extent permitted by law, all rights incident or appurtenant to the Station Licenses and the right to receive all proceeds derived from or in connection with the sale, assignment or transfer of the Station Licenses; and

(n) all proceeds, products, offspring, accessions, rents, profits, income, benefits, substitutions and replacements of and to any of the property of such Obligor described in the preceding clauses of this Section 4 (including, without limitation, any proceeds of insurance thereon and all causes of action, claims and warranties now or hereafter held by any Obligor in respect of any of the items listed above) and, to the extent related to any property described in said clauses or such proceeds, products and accessions, all books, correspondence, credit files, records, invoices and other papers, including without limitation all tapes, cards, computer runs and other papers and documents in the possession or under the control of such Obligor or any computer bureau or service company from time to time acting for such Obligor.

## Section 5. Cash Proceeds of Collateral.

5.01 Collateral Account. There is hereby established with the Agent a cash collateral account (the "Collateral Account") in the name and under the control of the Agent into

which there shall be deposited from time to time the cash proceeds of any of the Collateral required to be delivered to the Agent pursuant hereto and into which the Obligors may from time to time deposit any additional amounts that any of them wishes to pledge to the Agent for the benefit of the Banks as additional collateral security hereunder; provided, that all proceeds of insurance on the Collateral shall be deposited in the Collateral Account. The balance from time to time in the Collateral Account shall constitute part of the Collateral hereunder and shall not constitute payment of the Secured Obligations until applied as hereinafter provided. Except as expressly provided in the next sentence, the Agent shall remit the collected balance outstanding to the credit of the Collateral Account to or upon the order of the respective Obligor as such Obligor shall from time to time instruct. However, at any time following the occurrence and during the continuance of an Event of Default, the Agent may (and, if instructed by the Banks as specified in Section 10.03 of the Credit Agreement, shall) in its (or their) discretion apply or cause to be applied (subject to collection) the balance from time to time outstanding to the credit of the Collateral Account to the payment of the Secured Obligations in the manner specified in Section 6.09 hereof. Upon the request of an Obligor and with the consent of the Majority Banks, amounts may be withdrawn by such Obligor for repair and replacement of Property to the extent the Company is not required to make a prepayment from such proceeds under Section 2.09(a) of the Credit Agreement. The balance from time to time in the Collateral Account shall be subject to withdrawal only as provided herein.

5.02 Proceeds of Accounts. At any time after the occurrence and during the continuance of an Event of Default, each Obligor shall, upon the request of the Agent, instruct all account debtors and other Persons obligated in respect of all Accounts to make all payments in respect of the Accounts either (a) directly to the Agent (by instructing that such payments be remitted to a post office box which shall be in the name and under the control of the Agent) or (b) to one or more other banks in the United States of America (by instructing that such payments be remitted to a post office box which shall be in the name and under the control of the Agent) under arrangements, in form and substance satisfactory to the Agent pursuant to which such Obligor shall have irrevocably instructed such other bank (and such other bank shall have agreed) to remit all proceeds of such payments directly to the Agent for deposit into the Collateral Account. All payments made to the Agent, as provided in the preceding sentence, shall be immediately deposited in the Collateral Account. In addition to the foregoing, each Obligor agrees that, at any time after the occurrence and during the continuance of an Event of Default, if the proceeds of any Collateral hereunder (including the payments made in respect of

Accounts) shall be received by it, such Obligor shall, upon the request of the Agent, as promptly as possible deposit such proceeds into the Collateral Account. Until so deposited, all such proceeds shall be held in trust by such Obligor for and as the property of the Agent and shall not be commingled with any other funds or property of such Obligor.

**5.03 Investment of Balance in Collateral Account.**

Amounts on deposit in the Collateral Account shall be invested from time to time in such Permitted Investments as the respective Obligor (or, after the occurrence and during the continuance of a Default, the Agent) shall determine, which Permitted Investments shall be held in the name and be under the control of the Agent, provided that at any time after the occurrence and during the continuance of an Event of Default, the Agent may (and, if instructed by the Banks as specified in Section 10.03 of the Credit Agreement, shall) in its (or their) discretion at any time and from time to time elect to liquidate any such Permitted Investments and to apply or cause to be applied the proceeds thereof to the payment of the Secured Obligations in the manner specified in Section 6.09 hereof.

**Section 6. Further Assurances; Remedies.** In furtherance of the grant of the pledge and security interest pursuant to Section 4 hereof, the Obligors hereby jointly and severally agree with each Bank and the Agent as follows:

**6.01 Delivery and Other Perfection.** Each Obligor shall:

(a) if any of the shares, securities, moneys or property required to be pledged by such Obligor under clauses (a), (b) and (c) of Section 4 hereof are received by such Obligor, forthwith either (x) transfer and deliver to the Agent such shares or securities so received by such Obligor (together with the certificates for any such shares and securities duly endorsed in blank or accompanied by undated stock powers duly executed in blank), all of which thereafter shall be held by the Agent, pursuant to the terms of this Agreement, as part of the Collateral or (y) take such other action as the Agent shall deem necessary or appropriate to duly record the Lien created hereunder in such shares, securities, moneys or property in said clauses (a), (b) and (c);

(b) deliver and pledge to the Agent any and all Instruments, endorsed and/or accompanied by such instruments of assignment and transfer in such form and substance as the Agent may request; provided, that so long as no Default



shall have occurred and be continuing, such Obligor may retain for collection in the ordinary course any Instruments received by such Obligor in the ordinary course of business and the Agent shall, promptly upon request of such Obligor, make appropriate arrangements for making any Instrument pledged by such Obligor available to such Obligor for purposes of presentation, collection or renewal (any such arrangement to be effected, to the extent deemed appropriate by the Agent, against trust receipt or like document);

(c) give, execute, deliver, file and/or record any financing statement, notice, instrument, document, agreement or other papers that may be necessary or desirable (in the reasonable judgment of the Agent) to create, preserve, perfect or validate the security interest granted pursuant hereto or to enable the Agent to exercise and enforce its rights hereunder with respect to such pledge and security interest, including, without limitation, causing any or all of the Stock Collateral to be transferred of record into the name of the Agent or its nominee (and the Agent agrees that if any Stock Collateral is transferred into its name or the name of its nominee, the Agent will thereafter promptly give to the respective Obligor copies of any notices and communications received by it with respect to the Stock Collateral pledged by such Guarantor hereunder), provided that notices to account debtors in respect of any Accounts or Instruments shall be subject to the provisions of clause (f) below;

(d) keep full and accurate books and records relating to the Collateral, and stamp or otherwise mark such books and records in such manner as the Agent may reasonably require in order to reflect the security interests granted by this Agreement;

(e) permit representatives of the Agent, upon reasonable notice, at any time during normal business hours to inspect and make abstracts from its books and records pertaining to the Collateral, and permit representatives of the Agent to be present at such Obligor's place of business to receive copies of all communications and remittances relating to the Collateral, and forward copies of any notices or communications received by such Obligor with respect to the Collateral, all in such manner as the Agent may reasonably require; and

(f) upon the occurrence and during the continuance of any Default, upon request of the Agent, promptly notify (and such Obligor hereby authorizes the Agent so to notify) each account debtor in respect of any Accounts or Instruments

that such Collateral has been assigned to the Agent hereunder, and that any payments due or to become due in respect of such Collateral are to be made directly to the Agent.

6.02 Other Financing Statements and Liens. Except as expressly provided in the Credit Agreement, without the prior written consent of the Agent (granted with the authorization of the Banks as specified in Section 10.09 of the Credit Agreement), no Obligor shall file or suffer to be on file, or authorize or permit to be filed or to be on file, in any jurisdiction, any financing statement or like instrument with respect to the Collateral in which the Agent is not named as the sole secured party for the benefit of the Banks.

6.03 Preservation of Rights. The Agent shall not be required to take steps necessary to preserve any rights against prior parties to any of the Collateral.

6.04 Stock Collateral.

(a) The Obligors will cause the Stock Collateral to constitute at all times 100% of the total number of shares of each class of capital stock of each Issuer then outstanding.

(b) So long as no Event of Default shall have occurred and be continuing, and thereafter until written notice from the Agent, the Obligors shall have the right to exercise all voting, consensual and other powers of ownership pertaining to the Stock Collateral for all purposes not inconsistent with the terms of this Agreement, the Credit Agreement, the Notes or any other instrument or agreement referred to herein or therein, provided that the Obligors jointly and severally agree that they will not vote the Stock Collateral in any manner that is inconsistent with the terms of this Agreement, the Credit Agreement, the Notes or any such other instrument or agreement; and the Agent shall execute and deliver to the Obligors or cause to be executed and delivered to the Obligors all such proxies, powers of attorney, dividend and other orders, and all such instruments, without recourse, as the Obligors may reasonably request for the purpose of enabling the Obligors to exercise the rights and powers that they are entitled to exercise pursuant to this Section 6.04(b).

(c) Unless and until an Event of Default has occurred and is continuing, the Obligors shall be entitled to receive and retain any dividends on the Stock Collateral paid in cash out of earned surplus.

(d) If any Event of Default shall have occurred, then so long as such Event of Default shall continue, and whether or

not the Agent or any Bank exercises any available right to declare any Secured Obligation due and payable or seeks or pursues any other relief or remedy available to it under applicable law or under this Agreement, the Credit Agreement, the Notes or any other agreement relating to such Secured Obligation, all dividends and other distributions on the Stock Collateral shall be paid directly to the Agent and retained by it in the Collateral Account as part of the Stock Collateral, subject to the terms of this Agreement, and, if the Agent shall so request in writing, the Obligors jointly and severally agree to execute and deliver to the Agent appropriate additional dividend, distribution and other orders and documents to that end, provided that if such Event of Default is cured, any such dividend or distribution theretofore paid to the Agent shall, upon request of the Obligors (except to the extent theretofore applied to the Secured Obligations), be returned by the Agent to the Obligors.

6.05 Events of Default, Etc. During the period during which an Event of Default shall have occurred and be continuing:

(a) each Obligor shall, at the request of the Agent, assemble the Collateral owned by it at such place or places, reasonably convenient to both the Agent and such Obligor, designated in its request;

(b) the Agent may make any reasonable compromise or settlement deemed desirable with respect to any of the Collateral and may extend the time of payment, arrange for payment in installments, or otherwise modify the terms of, any of the Collateral;

(c) the Agent shall have all of the rights and remedies with respect to the Collateral of a secured party under the Uniform Commercial Code (whether or not said Code is in effect in the jurisdiction where the rights and remedies are asserted) and such additional rights and remedies to which a secured party is entitled under the laws in effect in any jurisdiction where any rights and remedies hereunder may be asserted, including, without limitation, the right, to the maximum extent permitted by law, to exercise all voting, consensual and other powers of ownership pertaining to the Collateral as if the Agent were the sole and absolute owner thereof (and each Obligor agrees to take all such action as may be appropriate to give effect to such right);

(d) the Agent in its discretion may, in its name or in the name of the Obligors or otherwise, demand, sue for, collect or receive any money or property at any time payable

or receivable on account of or in exchange for any of the Collateral, but shall be under no obligation to do so; and

(e) the Agent may, upon ten business days' prior written notice to the Obligors of the time and place, with respect to the Collateral or any part thereof that shall then be or shall thereafter come into the possession, custody or control of the Agent, the Banks or any of their respective agents, sell, lease, assign or otherwise dispose of all or any part of such Collateral, at such place or places as the Agent deems best, and for cash or for credit or for future delivery (without thereby assuming any credit risk), at public or private sale, without demand of performance or notice of intention to effect any such disposition or of the time or place thereof (except such notice as is required above or by applicable statute and cannot be waived), and the Agent or any Bank or anyone else may be the purchaser, lessee, assignee or recipient of any or all of the Collateral so disposed of at any public sale (or, to the extent permitted by law, at any private sale) and thereafter hold the same absolutely, free from any claim or right of whatsoever kind, including any right or equity of redemption (statutory or otherwise), of the Obligors, any such demand, notice and right or equity being hereby expressly waived and released. The Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for the sale, and such sale may be made at any time or place to which the sale may be so adjourned.

The proceeds of each collection, sale or other disposition under this Section 6.05 shall be applied in accordance with Section 6.09 hereof.

The Obligors recognize that, by reason of certain prohibitions contained in the Securities Act of 1933, as amended, and applicable state securities laws, the Agent may be compelled, with respect to any sale of all or any part of the Collateral, to limit purchasers to those who will agree, among other things, to acquire the Collateral for their own account, for investment and not with a view to the distribution or resale thereof. The Obligors acknowledge that any such private sales may be at prices and on terms less favorable to the Agent than those obtainable through a public sale without such restrictions, and, notwithstanding such circumstances, agree that any such private sale shall be deemed to have been made in a commercially reasonable manner and that the Agent shall have no obligation to engage in public sales and no obligation to delay the sale of any Collateral for the period of time necessary to permit the

respective Issuer or issuer thereof to register it for public sale.

6.06 Deficiency. If the proceeds of sale, collection or other realization of or upon the Collateral pursuant to Section 6.05 hereof are insufficient to cover the costs and expenses of such realization and the payment in full of the Secured Obligations, the Obligor shall remain liable for any deficiency.

6.07 Removals, Etc. Without at least 30 days' prior written notice to the Agent, no Obligor shall (i) maintain any of its books and records with respect to the Collateral at any office or maintain its principal place of business at any place, or permit any Inventory or Equipment to be located anywhere, other than at the address indicated beneath its signature hereto or at one of the locations identified in Annex 2 hereto under its name or in transit from one of such locations to another or (ii) change its corporate name, or the name under which it does business, from the name shown on the signature pages hereto.

6.08 Private Sale. The Agent and the Banks shall incur no liability as a result of the sale of the Collateral, or any part thereof, at any private sale pursuant to Section 6.05 hereof conducted in a commercially reasonable manner. Each Obligor hereby waives any claims against the Agent or any Bank arising by reason of the fact that the price at which the Collateral may have been sold at such a private sale was less than the price that might have been obtained at a public sale or was less than the aggregate amount of the Secured Obligations, even if the Agent accepts the first offer received and does not offer the Collateral to more than one offeree.

6.09 Application of Proceeds. Except as otherwise herein expressly provided, the proceeds of any collection, sale or other realization of all or any part of the Collateral pursuant hereto, and any other cash at the time held by the Agent under Section 5 hereof or this Section 6, shall be applied by the Agent:

First, to the payment of the costs and expenses of such collection, sale or other realization, including reasonable out-of-pocket costs and expenses of the Agent and the fees and expenses of its agents and counsel, and all expenses incurred and advances made by the Agent in connection therewith;

Next, to the payment in full of the Secured Obligations, in each case equally and ratably in accordance

with the respective amounts thereof then due and owing or as the Banks holding the same may otherwise agree; and

Finally, to the payment to the respective Obligor, or their respective successors or assigns, or as a court of competent jurisdiction may direct, of any surplus then remaining.

As used in this Section 6, "proceeds" of Collateral shall mean cash, securities and other property realized in respect of, and distributions in kind of, Collateral, including any thereof received under any reorganization, liquidation or adjustment of debt of the Obligors or any issuer of or obligor on any of the Collateral.

6.10 Attorney-in-Fact. Without limiting any rights or powers granted by this Agreement to the Agent while no Event of Default has occurred and is continuing, upon the occurrence and during the continuance of any Event of Default the Agent is hereby appointed the attorney-in-fact of each Obligor for the purpose of carrying out the provisions of this Section 6 and taking any action and executing any instruments that the Agent may deem necessary or advisable to accomplish the purposes hereof, which appointment as attorney-in-fact is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, so long as the Agent shall be entitled under this Section 6 to make collections in respect of the Collateral, the Agent shall have the right and power to receive, endorse and collect all checks made payable to the order of any Guarantor representing any dividend, payment or other distribution in respect of the Collateral or any part thereof and to give full discharge for the same.

6.11 Perfection. Prior to or concurrently with the execution and delivery of this Agreement, each Obligor shall (i) file such financing statements and other documents in such offices as the Agent may request to perfect the security interests granted by Section 4 of this Agreement, (ii) cause the Agent (to the extent requested by the Majority Banks) to be listed as the lienholder on all certificates of title or ownership relating to Motor Vehicles owned by such Obligor and (iii) deliver to the Agent all certificates identified in Annex 1 hereto, accompanied by undated stock powers duly executed in blank.

6.12 Termination. When all Secured Obligations shall have been paid in full and the Commitments of the Banks under the Credit Agreement shall have expired or been terminated, this Agreement shall terminate, and the Agent shall forthwith cause to be assigned, transferred and delivered, against receipt but

without any recourse, warranty or representation whatsoever, any remaining Collateral and money received in respect thereof, to or on the order of the respective Obligor. The Agent shall also execute and deliver to the respective Obligor upon such termination such Uniform Commercial Code termination statements, certificates for terminating the Liens on the Motor Vehicles and such other documentation as shall be reasonably requested by the respective Obligor to effect the termination and release of the Liens on the Collateral.

6.13 Further Assurances. Each Obligor agrees that, from time to time upon the written request of the Agent, such Obligor will execute and deliver such further documents and do such other acts and things as the Agent may reasonably request in order fully to effect the purposes of this Agreement.

#### Section 7. Miscellaneous.

7.01 No Waiver. No failure on the part of the Agent or any Bank to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by the Agent or any Bank of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies herein are cumulative and are not exclusive of any remedies provided by law.

7.02 Notices. All notices, requests, consents and demands hereunder shall be in writing and telexed, telecopied or delivered to the intended recipient at the "Address for Notices" specified beneath its name on the signature pages hereof or, as to any party, at such other address as shall be designated by such party in a notice to each other party. Except as otherwise provided in this Agreement, all such communications shall be deemed to have been duly given when transmitted by telex or telecopier or personally delivered or, in the case of a mailed notice, upon receipt, in each case given or addressed as aforesaid.

7.03 Expenses. The Obligors jointly and severally agree to reimburse each of the Banks and the Agent for all reasonable costs and expenses of the Banks and the Agent (including, without limitation, the reasonable fees and expenses of legal counsel) in connection with (i) any Default and any enforcement or collection proceeding resulting therefrom, including, without limitation, all manner of participation in or other involvement with (w) performance by the Agent of any obligations of the Obligors in respect of the Collateral that the

Obligors have failed or refused to perform, (x) bankruptcy, insolvency, receivership, foreclosure, winding up or liquidation proceedings, or any actual or attempted sale, or any exchange, enforcement, collection, compromise or settlement in respect of any of the Collateral, and for the care of the Collateral and defending or asserting rights and claims of the Agent in respect thereof, by litigation or otherwise, including expenses of insurance, (y) judicial or regulatory proceedings and (z) workout, restructuring or other negotiations or proceedings (whether or not the workout, restructuring or transaction contemplated thereby is consummated) and (ii) the enforcement of this Section 7.03, and all such costs and expenses shall be Secured Obligations entitled to the benefits of the collateral security provided pursuant to Section 4 hereof.

7.04 Amendments, Etc. The terms of this Agreement may be waived, altered or amended only by an instrument in writing duly executed by each Obligor and the Agent (with the consent of the Banks as specified in Section 10.09 of the Credit Agreement), provided that execution by the Agent shall be deemed to incorporate the Agent's representation that the consent of the Majority Banks has been obtained. Any such amendment or waiver shall be binding upon the Agent and each Bank, each holder of any of the Secured Obligations and each Obligor.

7.05 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of each Obligor, the Agent, the Banks and each holder of any of the Secured Obligations (provided, however, that no Obligor shall assign or transfer its rights hereunder without the prior written consent of the Agent).

7.06 Captions. The captions and section headings appearing herein are included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Agreement.

7.07 Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart.

7.08 Governing Law; Submission to Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the law of the State of New York. Each Obligor hereby submits to the nonexclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York state court sitting in New York City for the purposes of all legal proceedings arising out of or relating to this Agreement or the



transactions contemplated hereby. Each Obligor irrevocably waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum.

**7.09 Waiver of Jury Trial.** EACH OF THE OBLIGORS, THE AGENT AND THE BANKS HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

**7.10 Certain Regulatory Requirements.** Any provision contained herein to the contrary notwithstanding, no action shall be taken hereunder by the Agent or any Bank with respect to any item of Collateral unless and until all applicable requirements (if any) of the FCC under the Federal Communications Act of 1934, as amended, and the respective rules and regulations thereunder and thereof, as well as any other federal, state or local laws, rules and regulations of other regulatory or governmental bodies applicable to or having jurisdiction over the Obligor (or any entity under the control of the Obligors), have been satisfied with respect to such action and there have been obtained such consents, approvals and authorizations (if any) as may be required to be obtained from the FCC and any other governmental authority under the terms of any license or similar operating right held by the Obligors (or any entity under the control of the Obligors). It is the intention of the parties hereto that the Liens in favor of the Agent on the Collateral shall in all relevant aspects be subject to and governed by said statutes, rules and regulations and that nothing in this Agreement shall be construed to diminish the control exercised by the Obligors except in accordance with the provisions of such statutory requirements, rules and regulations. Furthermore, notwithstanding any other provisions of this Agreement to the contrary, it is acknowledged and agreed that the Obligors shall be entitled to manage and control their respective radio station facilities as required by the rules, regulations, and policies of the FCC unless and until a transfer of control of such facilities from their respective Obligors has been approved by the FCC and duly consummated, and it is further agreed that: (a) voting rights in the Stock Collateral shall remain with the Obligors even upon an Event of Default until such time as all appropriate FCC consents, authorizations and approvals have been obtained; (b) upon an Event of Default, and only if so permitted by this Agreement, the Agent or the Banks may dispose of the Stock Collateral, but only by private or public sale or other means acceptable to the FCC; and (c) prior to exercise of stockholder rights by a purchaser at such sale, all necessary FCC consents with respect to such sale

shall be timely obtained. Each Obligor agrees that upon request from time to time by the Agent it will use its best efforts to obtain any governmental, regulatory or third party consents, approvals or authorizations referred to in this Section 7.10.

7.11 Agents and Attorneys-in-Fact. The Agent may employ agents and attorneys-in-fact in connection herewith and shall not be responsible for the negligence or misconduct of any such agents or attorneys-in-fact selected by it in good faith.


7.12 Severability. If any provision hereof is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (i) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Agent and the Banks in order to carry out the intentions of the parties hereto as nearly as may be possible and (ii) the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

7.13 Additional Guarantors. In the event that, at any time after the date hereof, the Company shall acquire or form any new Subsidiary, the Company shall cause such Subsidiary, and each Obligor holding any shares of stock of such Subsidiary, to deliver forthwith to the Agent an Addendum substantially in the form of Annex 3 hereto (an "Addendum"), duly executed by such Subsidiary and each such Obligor. Upon execution and delivery of any such Addendum to the Agent, such Subsidiary shall automatically, without any further action on the part of the Agent, any Obligor or any other Person, become a "Guarantor" and, thereby an "Obligor", hereunder and such Subsidiary shall become an "Issuer" hereunder and the shares of stock of such Subsidiary held by any other Obligor shall become subject to the security interest provided for in Section 4 hereof. Each such Addendum, upon such execution and delivery, shall constitute a part of this Agreement.

7.14 Opinions of Counsel to the Obligors. Each Guarantor hereby authorizes and instructs (i) Weil, Gotshal & Manges, counsel to the Obligors, and (ii) Fisher, Wayland, Cooper and Leader, special communications counsel to the Obligors, to deliver the opinions to the Banks and the Agent pursuant to Section 6.01(c) and Section 6.02(c) of the Credit Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Guarantee and Security Agreement to be duly executed and delivered as of the day and year first above written.

HMW HOLDINGS NO. 2, INC.

By   
Title: VICE PRESIDENT

Address for Notices:

4110 Wake Forest Road  
Suite 300  
Raleigh, North Carolina 27609  
Attn: President  
Facsimile: (919) 876-2929  
Telephone: (919) 860-1061

With a copy to:


Hicks, Muse & Co., Incorporated  
200 Crescent Court--Suite 1600  
Dallas, Texas 75201  
Attn: Thomas O. Hicks  
John Muse  
Jack D. Furst  
Facsimile: (214) 740-7313  
Telephone: (214) 740-7300

With a copy to:

Weil, Gotshal & Manges  
100 Crescent Court--Suite 1300  
Dallas, Texas 75201-6950  
Attn: Lawrence D. Stuart, Jr., Esq.  
Facsimile: (214) 746-7777  
Telephone: (214) 746-7700

GUARANTORS

WLWZ OPERATING COMPANY, INC.

By   
Title: VICE PRESIDENT

Address for Notices:

4110 Wake Forest Road  
Suite 300  
Raleigh, North Carolina 27609  
Attn: President  
Facsimile: (919) 876-2929  
Telephone: (919) 860-1061

With a copy to:

Hicks, Muse & Co., Incorporated  
200 Crescent Court--Suite 1600  
Dallas, Texas 75201  
Attn: Thomas O. Hicks  
John Muse  
Jack D. Furst  
Facsimile: (214) 740-7313  
Telephone: (214) 740-7300

With a copy to:

Weil, Gotshal & Manges  
100 Crescent Court--Suite 1300  
Dallas, Texas 75201-6950  
Attn: Lawrence D. Stuart, Jr., Esq.  
Facsimile: (214) 746-7777  
Telephone: (214) 746-7700

WRDU OPERATING COMPANY, INC.

By   
Title: VICE PRESIDENT

Address for Notices:

4110 Wake Forest Road  
Suite 300  
Raleigh, North Carolina 27609  
Attn: President  
Facsimile: (919) 876-2929  
Telephone: (919) 860-1061

With a copy to:

Hicks, Muse & Co., Incorporated  
200 Crescent Court--Suite 1600  
Dallas, Texas 75201  
Attn: Thomas O. Hicks  
John Muse  
Jack D. Furst  
Facsimile: (214) 740-7313  
Telephone: (214) 740-7300

With a copy to:

Weil, Gotshal & Manges  
100 Crescent Court--Suite 1300  
Dallas, Texas 75201-6950  
Attn: Lawrence D. Stuart, Jr., Esq.  
Facsimile: (214) 746-7777  
Telephone: (214) 746-7700

~~WTRG OPERATING COMPANY, - INC.~~

By   
--- Title: VICE PRESIDENT ---

Address for Notices:

4110 Wake Forest Road  
Suite 300  
Raleigh, North Carolina 27609  
Attn: President  
Facsimile: (919) 876-2929  
Telephone: (919) 860-1061

With a copy to:

Hicks, Muse & Co., Incorporated  
200 Crescent Court--Suite 1600  
Dallas, Texas 75201  
Attn: Thomas O. Hicks  
John Muse  
Jack D. Furst  
Facsimile: (214) 740-7313  
Telephone: (214) 740-7300

With a copy to:

Weil, Gotshal & Manges  
100 Crescent Court--Suite 1300  
Dallas, Texas 75201-6950  
Attn: Lawrence D. Stuart, Jr., Esq.  
Facsimile: (214) 746-7777  
Telephone: (214) 746-7700

WLWZ LICENSE SUBSIDIARY, INC.

By   
Title: *VICE PRESIDENT*

Address for Notices:

4110 Wake Forest Road  
Suite 300  
Raleigh, North Carolina 27609  
Attn: President  
Facsimile: (919) 876-2929  
Telephone: (919) 860-1061


With a copy to:

Hicks, Muse & Co., Incorporated  
200 Crescent Court--Suite 1600  
Dallas, Texas 75201  
Attn: Thomas O. Hicks  
John Muse  
Jack D. Furst  
Facsimile: (214) 740-7313  
Telephone: (214) 740-7300

With a copy to:

Weil, Gotshal & Manges  
100 Crescent Court--Suite 1300  
Dallas, Texas 75201-6950  
Attn: Lawrence D. Stuart, Jr., Esq.  
Facsimile: (214) 746-7777  
Telephone: (214) 746-7700

WRDU LICENSE SUBSIDIARY, INC.

By   
Title: Vice President

Address for Notices:

4110 Wake Forest Road  
Suite 300  
Raleigh, North Carolina 27609  
Attn: President  
Facsimile: (919) 876-2929  
Telephone: (919) 860-1061

With a copy to:

Hicks, Muse & Co., Incorporated  
200 Crescent Court--Suite 1600  
Dallas, Texas 75201  
Attn: Thomas O. Hicks  
John Muse  
Jack D. Furst  
Facsimile: (214) 740-7313  
Telephone: (214) 740-7300

With a copy to:

Weil, Gotshal & Manges  
100 Crescent Court--Suite 1300  
Dallas, Texas 75201-6950  
Attn: Lawrence D. Stuart, Jr., Esq.  
Facsimile: (214) 746-7777  
Telephone: (214) 746-7700



THE CHASE MANHATTAN BANK  
(NATIONAL ASSOCIATION),  
as Agent

By

Title:

Address for Notices:

The Chase Manhattan Bank  
(National Association), as Agent  
4 Metrotech Center -- 13th Floor  
Brooklyn, New York 11245  
Attn: New York Agency

with a copy to:

The Chase Manhattan Bank  
(National Association)  
1 Chase Manhattan Plaza  
New York, New York 10081  
Attn: \_\_\_\_\_